

In the Matter of:

4. During the 12 months ending July 31, 1997, Muhlenberg purchased 215,172,900 gallons of water from Central City. During that same period of time, Muhlenberg sold 181,572,200 gallons of water.

5. Muhlenberg's purchased water adjustment calculations show an increase in purchased water cost of \$11,135, resulting in a purchased water adjustment of 6 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills to Muhlenberg's customers would increase 30 cents from \$22.66 to 22.96 or 1.3 percent.

6. The purchased water adjustment of 6 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

7. Muhlenberg's proposed tariff is correct and should be approved.

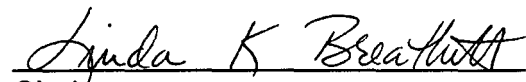
IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 6 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after September 9, 1997.

2. Muhlenberg's proposed tariff is approved.

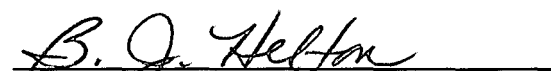
Done at Frankfort, Kentucky, this 10th day of September, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Commissioner


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE OF NO. 97-353 DATED SEPTEMBER 10, 1997

The following rates and charges are prescribed for the customer in the area served by Muhlenberg County Water District No. 3. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates

Residential/Commercial

First	2,000 gallons	\$11.29 (Minimum Charge)
Next	8,000 gallons	3.89 per 1,000 gallons
Next	10,000 gallons	3.29 per 1,000 gallons
Next	30,000 gallons	2.59 per 1,000 gallons
All over	50,000 gallons	2.04 per 1,000 gallons

Wholesale Rate

\$ 2.04 per 1,000 gallons